

Attachment B1: Terms and Conditions for Events at Seattle Center (markup)

Effective January 1, (~~2019~~) 2021

1. DIRECTOR'S AUTHORITY

The Director shall prepare facility use agreements for Events and Event-related services at the Seattle Center for overall terms of not more than five years, with the approval of the City Attorney and the guidance of the Risk Manager and the City Budget Director, and in accordance with all applicable City of Seattle ordinances and policies. Facility use agreements with terms in excess of two years shall be subject to review by the City Budget Director.

The Director shall promulgate rules and guidelines containing regulations and standards for the application of fees, charges, and terms and conditions of use for Seattle Center facilities that are consistent with the policies expressed herein.

2. DEFINITIONS

- a. "Concession Fee" means a fee charged either as a percentage of sales or at a flat rate for the right to sell merchandise and/or food and beverages at an Event.
- b. "Consumer Show" means an Event open to the public in which businesses sell or sample their products to consumers, and for which a ticket or entrance fee is required.
- c. "Exhibit Show" means a ticketed or non-ticketed Event in which audiences view a static display of things, articles, or images. An Exhibit Show may include elements in which seated audiences view a demonstration or performance related to the static display.
- d. "Facility" means a room, building, or outdoor space at Seattle Center that can be rented by the public.
- e. "Government Agency Event" means an Event of any agency of the federal government, any department of the State of Washington, any municipal corporation or corporation chartered by a municipality, or any other special or general purpose unit of local government in the State of Washington.
- f. "Seattle Center Productions Event" means an Event for which Seattle Center is the sole or partial financial sponsor and controls some aspect of the production.
- g. "Spectator Event" means any Event open to the public and held in the Exhibition Hall, Fisher Pavilion, Armory, Marion Oliver McCaw Hall, or on the Seattle Center grounds, where admission to the Event's principal activity is ticketed or an admission

- fee is required, except for trade or Consumer Shows, private meetings, conventions, or Exhibit Shows.
- h. “Standard Event” means any Event that is not a Spectator Event or Government Agency Event, including but not limited to Consumer Shows, private meetings, conventions, Exhibit Shows and non-ticketed Events.
 - i. “Use Period” means the time specified in the agreement as the inclusive times for user’s use of a specified Facility on a specified day, including any portion of the immediately following day into which the inclusive time extends as established in the use agreement.

3.CLIENT USE OF FACILITIES

- a. **USE FEES:** The Director is authorized to establish from time to time a schedule of facility use fees (the “Rate Card”) for applicable Seattle Center facilities, consistent with Attachment A, “the Seattle Center Fee Range Schedule,” and taking into account the following City policies: (i) that the Rate Card shall be administered the same to any entity that qualifies to use a Seattle Center facility; and (ii) that fees be competitive in the marketplace and be anticipated to return reasonable revenue to Seattle Center relative to operational costs. The Rate Card may set fees according to event type, size of venue, or on any other basis consistent with the Seattle Center Fee Range Schedule and with the above policy.

Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in the Attachment A: Seattle Center Fee Range Schedule, based on the policies described above, and taking into consideration market conditions and other legitimate business concerns.

A separate use fee will be charged for each Use Period. Use fees shown on a Rate Card are minimum use fees. Where percentages of net gross sales apply above a minimum use fee, the Director may negotiate a maximum use fee. In-kind consideration such as complimentary tickets, or services such as guest appearances, may be negotiated as part of the overall consideration for use of a Facility. The Director shall promulgate a Complimentary Ticket Use Policy governing the use of complimentary tickets which shall be consistent with the City of Seattle Ethics Code.

- b. **FACILITY SURCHARGES:** The Director is authorized to collect an additional use fee to be known as a Facility Surcharge on all Spectator Events and Consumer Shows based on the number of tickets sold (or on the number of paid admissions, if tickets are not used), and to establish a schedule of per-ticket or per-paid-admission rates consistent with Attachment A: Seattle Center Fee Range Schedule. The basis for computing the Facility Surcharge may include complimentary tickets or admissions if such complimentary tickets or admissions exceed 10% of sellable capacity for the Event, in which case the Facility Surcharge shall be payable for those complimentary tickets or admissions that exceed 10% of sellable capacity. The Director shall

promulgate guidelines governing the application of the Facility Surcharge, which guidelines shall be based on costs incurred or service provided by the City.

- c. **USE FEE PAYMENTS:** The full amount of the use fee is due prior to the Event for Standard Events; an executed purchase order is required prior to the Event for Government Agency Events. For Spectator Events, a deposit is due prior to the Event with the remainder due at settlement for the Event. Money paid to the City shall be in the form of legal tender of the United States of America. Goods and services with a wholesale value that is equal to or greater than the use fee may be accepted in partial or full payment, subject to City of Seattle purchasing rules.

The Director is authorized to determine due dates for the return of signed use agreements and for payments, including installment payments, that take into consideration the fiscal responsibility of Seattle Center and sound business practices including the reasonable amount of time that is needed to re-let a space if a deadline is not met; the financial history of repeat clients; the time needed to set up the space without incurring additional labor costs and the time needed for the user to return the use agreement with the initial payment.

- d. **CONTINGENCY DEPOSIT:** In addition to the use fee, the Director may require a deposit(s) to be paid prior to an Event to cover some portion of the estimated labor, parking fees, equipment charges, services, damage or other incidental charges anticipated to be incurred during the Event, or as partial security for payment-in-full of all Event-related expenses. Any portion of the deposit remaining after deductions are made to pay a user's Event expenses shall be refunded to the user. The Director may waive this deposit(s) based on a history of reliable payment by a user or lack of charges incurred during past Events of that user.
- e. **CANCELLATION FEES:** The Director may assess reasonable cancellation fees for Events or portions of Events that are cancelled within a certain time period prior to the Event as specified in the use agreement. In determining whether to assess a cancellation fee, the Director shall employ sound business practices including the time characteristically needed to book a new Event in the same type of space; the user's past Event history; and the financial consequences to Seattle Center if the Event is cancelled.
- f. **TRANSFER FEES:** To accommodate users' needs and maintain good business relationships, and subject to availability, Seattle Center may permit users to change contracted Event dates and/or spaces when doing so does not have a negative financial impact on Seattle Center. A transfer fee may be charged if the request is made close to the time of the Event.
- g. **ORIGINATION FEES:** The Director may assess Origination Fees defined as fees based on industry standards for the right to take photographs, broadcast a performance live, or make a video and/or audio recording at an Event at Seattle Center. The Director may accept the user's promotion of Seattle Center in partial or

full payment of the Origination Fee provided that the value of the promotion is equal to or exceeds the value of the Origination Fee.

- h. **CATERING:** The Director may collect fees for catering services provided to guests at Events in facilities at Seattle Center. For Seattle Center Productions Events, the Director may include this fee as part of Seattle Center's Event sponsorship. The Director may enter into catering agreements with terms of up to ~~((five))~~ ten years, giving one or more caterers the right to provide catering services to Seattle Center clients in conjunction with such clients' events in Seattle Center Facilities, in accordance with Seattle Municipal Code (SMC) 17.16.020. These catering rights may or may not be exclusive depending on the specific Facility.

- i. **FOOD AND BEVERAGE CONCESSIONS:** The Director may collect Concessions Fees for sales of food and beverages by users of spaces not subject to an exclusive food and beverage concession agreement, unless the Event is a food fair. The Director shall establish guidelines with a table of charges based on the number of concession stands, the expected attendance and an estimated per capita expenditure by guests at the Event, as well as based on market competitiveness. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to ~~((five))~~ ten years, giving the concessionaire the exclusive right to sell such food and beverages at Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

- j. **PROGRAM AND NOVELTY CONCESSIONS:** The Director may collect Concession Fees at any Event at which users or their agents sell programs and novelty items. The fee shall not apply to exhibitors at an exhibit show who have contracted for booth space from the user. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to ~~((five))~~ ten years, giving the concessionaire the exclusive right to sell program and novelty items at Spectator Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

- k. **REFUNDS:** The Director may refund fees to make amends to dissatisfied users for failures in service by Seattle Center or Event vendors or for such other reasons as the Director may determine are fair and reasonable.

l. **OPERATIONAL TERMS:**

- 1) **Services and Equipment:** Certain services and equipment will be provided by Seattle Center on the day(s) of an Event in consideration of use fees paid. These services are specified in the use agreement or listed in the applicable Facility Addenda that shall be attached to the use agreement.

Certain other services and equipment may be required or made available for an additional charge, which shall be described in addenda to the use agreement. The charges in these addenda shall be based on the Director's assessment of competitive fees in the marketplace and anticipated revenue generation for Seattle Center relative to the operational costs of buying, maintaining and replacing equipment and of supplying services.

The Director may enter into service provider agreements with terms of not more than ~~((five))~~ ten years in accordance with SMC 17.16.020, securing event-related services at rates favorable to the City and under provisions requiring the services to be performed in a professional manner that accommodates the needs of both the Seattle Center and any user who uses these services.

- 2) **Cleaning Between Performances:** For the safety of attendees to an Event, and to maintain Seattle Center's standards of appearance for the Facility, the Director may require users to pay for cleaning between multiple performances on the same day.
 - 3) **Hours of Use:** The Director may determine the hours of the day that an Event may be open at Seattle Center.
- m. **SPECIAL CONDITIONS:** The Director is authorized to vary from the established Rate Card only for sound business purposes and only if such variance is available to any user. The reasons for variance shall be contained in Seattle Center rules and guidelines, be in the City's best interest, and be related to the stated goals for Seattle Center, including generating revenue. The Director may negotiate terms and conditions for use that combine use fees with other charges and sources of revenue related to an Event; may waive fees or portions of fees; and negotiate terms that create benefits for Seattle Center in addition to use fees.

The Director is authorized to waive up to \$25,000 of use fees, facility surcharges and/or other charges per Standard Event or Spectator Event for facility use agreements completed through December 31, 2022.

4. CENTER PRODUCTIONS EVENTS

The Director is authorized to negotiate and enter into agreements to sponsor Events at Seattle Center. These Events shall comply with the Department's public programming guidelines. The City's financial support for the Event shall be based on the relevancy of the Event to the goals contained in the Seattle Center Vision Statement and Public Programming Strategic Plan, and on availability of appropriate resources. Approval by the City Budget Director is required for agreements where the City's financial support exceeds \$25,000. Application for status as a Seattle Center Productions Event is open to everyone. Seattle Center shall determine whether to sponsor the Event as a Seattle Center Production and the terms and conditions of such sponsorship.

5. EVENTS CO-PROMOTED BY SEATTLE CENTER

The Director is authorized to negotiate and enter into agreements as a co-promotion partner for Events in any Facility. For these Events, all sources of Event revenue and Event-related expenses may be shared with the co-promoter. Co-promotion decisions shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing use of the facilities and maximizing revenue for the City. Approval by the City Budget Director is required for agreements where the City's risk for potential loss, excluding the cost of facility rental, exceeds (~~(\$50,000)~~) \$100,000.

6. EVENTS PROMOTED BY SEATTLE CENTER

The Director is authorized to enter into agreements as a promoter of Events in any Facility. For these Events, City shall retain all sources of Event revenue and shall be responsible for all Event-related expenses. Decisions to self-promote Events shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing use of the facilities and maximizing revenue for the City. Approval by the City Budget Director is required for agreements where the City's risk for potential loss exceeds (~~(\$50,000)~~) \$100,000.